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INFORMATION TECHNOLOGY INDUSTRY COUNCIL

July 22, 1996

The Honorable James H. Quello
Commissioner
Federal Communications Commission
Room 802
1919 M Street, N.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: CC Docket No. 96-98 -- Ex Parte Comments of the Information
Technology Industry Council

Dear Commissioner Quello:

I am writing on behalf of the Information Technology Industry Council (ITI) to urge you to establish pro-competitive interconnection rules under Section 251 of the Telecommunications Act of 1996. Such rules will be crucial prerequisites to competition in the provision of a variety of communications services, including advanced data services.

ITI represents the leading U.S. providers of information technology products and services. Our members had worldwide revenue of over \$381 billion in 1995 and employ more than 1.5 million people in the United States. It is our member companies who provide much of the hardware, software, and services that are making the National Information Infrastructure a success. We believe it is important to the future of the U.S. economy that the Commission's interconnection and unbundling rules accommodate the needs of our industry

As you know, the local exchange market is no longer just a voice telephone world – business and residential users now depend on a variety of new digital services, including data transmissions, that require expanded bandwidth capacity from local network facilities. ITI strongly urges you to craft interconnection and unbundling rules that will enable competitive providers to offer these new services in the most economically and technologically efficient manner possible. Specifically, we urge you to establish:

- an interconnection rate structure that supports and encourages the data transmission needs of the information technology industry,
- unbundled local loop sub-elements, and

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The association of leading IT companies

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- collocation opportunities within the loop.

These policies are essential to competitive high bandwidth services for homes and businesses. Further, they will resolve incumbent local exchange carriers' claims that data traffic is degrading switch performance and raising public switched network costs.

Local loops are the crucial ingredient and the last barrier to full deployment of the information technology and services that consumers are demanding. By requiring local exchange companies to disaggregate and unbundle their networks at the maximum number of points, the Commission will enable new competitors to enter local markets and will permit enhanced service providers and other users to select the network services that best meet their technical and economic needs. Disaggregating local loop services into the individual elements required for data and other non-telephony traffic introduces a plethora of new service opportunities, including the provision of high bandwidth data services, for competitive companies. The immediate result would be improved access to the NII, maximum choice and flexibility for users, and affordable data services.

It is especially important, in light of the demand for new data services that transcend state and national boundaries, that the Commission adopt uniform, nationwide parameters for the interconnection, unbundling, collocation, and pricing of local exchange company service elements. National requirements, rather than a patchwork of inconsistent state requirements, are essential to competition and wide consumer choice. Uniform national rules will reduce regulatory burdens and lower the capital costs of entry, thus easing the investment burdens on start-up competitive services.

As you consider new rules for interconnection and unbundling, we strongly urge you to establish a national framework that will provide a flexible foundation for the exciting new applications and services that advances in information technology are making possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Rhett", with a stylized flourish extending from the bottom.

Rhett B. Dawson
President

cc: Lauren Belvin, Senior Adviser
William Caton, Acting Secretary, FCC